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FM AMEMBASSY LA PAZ  
TO RUEHC/SECSTATE WASHDC PRIORITY 7893  
INFO RUEHAC/AMEMBASSY ASUNCION 8125  
RUEHBO/AMEMBASSY BOGOTA 5476  
RUEHBR/AMEMBASSY BRASILIA 9418  
RUEHBU/AMEMBASSY BUENOS AIRES 6637  
RUEHCV/AMEMBASSY CARACAS 3736  
RUEHPE/AMEMBASSY LIMA 4016  
RUEHMN/AMEMBASSY MONTEVIDEO 5597  
RUEHSG/AMEMBASSY SANTIAGO 1083  
RUEKJCS/SECDEF WASHINGTON DC  
RUEAIIA/CIA WASHINGTON DC  
RUEHUB/USINT HAVANA 1258  
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C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 001460

SIPDIS

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TAGS: [ASEC](#) [BL](#) [ECON](#) [EINV](#) [PGOV](#) [PREL](#) [PTER](#) [VE](#)

SUBJECT: BOLIVIA-VENEZUELA: DYNAMITE, GUNS, AND BUSINESS

REF: LA PAZ 1411

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d).

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Summary  
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¶1. (SBU) Following the June 21 dynamiting of a private television affiliate in Tarija, more evidence is surfacing about Venezuelan and Bolivian government involvement. Senate President Ortiz gave a press briefing on June 27 where he revealed that the car used during the attack was rented by the Venezuelan Embassy. Additionally, while the origin of the weapons found in the car is still unclear, the presence of an AK-47 has made public that the Bolivian military now possess 10,000 of the weapons. Considering Venezuela's 2005 purchase of 100,000 AK weapons and Chavez's boast to turn Bolivia into the next Vietnam, speculation about the depth of Venezuelan involvement in Bolivia's "revolution" is rampant. Finally, Venezuelan business interests in Bolivia appear to be growing. The recent purchase of one of the four large cooking oil companies in Santa Cruz by a Venezuelan state hydrocarbon company (PdVSA) affiliate has raised concern of disloyal competition among the business community. End Summary.

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Claims of State Terrorism  
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¶2. (U) On June 27, Senate President Oscar Ortiz presented a contract for the car used in the dynamite attack against the private television affiliate in Yacuiba, Tarija on the eve of the department's autonomy vote. The car was rented by the Venezuelan Embassy and was in the possession of Oswaldo Flores, a lieutenant in the Bolivian military. Following the attack, the car crashed into a taxi and the local authorities arrested the driver, sub-lieutenant Georges Nava, who is now the prime suspect in the bombing (Reftel). Found in the car with Nava were an AK-47, C4 explosives, a 9mm pistol, cell phones, and cash. Nava is part of an elite anti-terrorism group that received training in Venezuela, and is currently assigned to the Ministry of the Presidency. Ortiz denounced the affair as "an open violation of independence, citizens' sovereignty, and peace in Bolivia." He went on to add that, "This is true state terrorism in which military officials assigned to the presidential security have participated and we are proving that a foreign government participated." The revelation also sparked vocal protests outside of the

Venezuelan Consulate in Santa Cruz, led by the Santa Cruz Youth Union (UJC).

13. (U) On June 30, the Venezuelan Embassy vehemently denied any involvement in the Yacuiba attack. They defended their involvement in Bolivia as purely humanitarian and in support of the TCP-Alba trade agreements. Moreover, the embassy took out a large ads in major La Paz newspapers on July 1 where they denounced the evidence in the Yacuiba incident as part of a "systematic international campaign, supported by the U.S. government, against our revolution and against the Latin American people who have chosen the path of unity and sovereignty."

14. (U) The military denounced the Yacuiba attack and claims that Nava acted alone. Nava will be tried in the local courts. A special Senate commission was set to begin to investigate the incident on June 30 but none of the appointed ruling Movement Toward Socialism (MAS) party delegates showed up. MAS senator Felix Rojas justified the Massistas' absence by saying that the opposition had held their own unilateral session on June 25th and therefore the MAS decided not to participate in the scheduled session.

15. (SBU) On June 29, El Alto City Council Vice President Roberto de la Cruz, the lead organizer for the June 9 demonstration against our embassy, attempted to pin the blame solely on Nava. Cruz said that the central government and "foreign friends" knew about the boycott of the autonomy vote in Tarija and "revolutionaries" had to play a part. While Cruz did not participate, he said if he had it would only

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have been to burn some ballot boxes and convince the population not to vote. He claimed that the "military patriot" (Nava) made a personal decision to dynamite the television station and ultimately would be held responsible alone.

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AK-47s: From Russia, China, or Venezuela?  
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16. (U) In an interview published on June 27, Army Commander Freddy Mackay claimed that the 10,000 AK-47s that the Bolivian armed forced distributed to divisions in Tarija and in Santa Cruz were all made in China and were purchased in 1996 as part of a cooperation agreement with that nation. He said that the weapons stayed in storage until 2003, when they were distributed to the units. The 100,000 AK rifles that were purchased by Venezuela in 2005 were all manufactured in Russia. The investigator in charge of the Nava case, Diego Choque, has claimed that according to the serial number on the AK found in Nava's car, the origin of the weapon is Russian. Moreover, opposition Podemos Senators Luis Vasquez and Miguel Majluf, both sustain that they would have known about any large purchase of weapons. They say that no official reports exist regarding an influx of 10,000 AK-47s into the armed forces.

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Venezuelan Entry into Bolivian Cooking Oil Raises Eyebrows  
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17. (C) There are four large companies in Santa Cruz which crush oil seeds (principally soy) for cooking oil. In March and April, the Morales administration banned the exports of these cooking oils ostensibly to bring down prices, but in reality it was a move to pressure a major industrial group in the opposition department of Santa Cruz. The four companies generally stood together to oppose the action until Archer Daniel Midland (ADM) finally broke ranks and agreed to sell some cooking oil more cheaply on the domestic market in order to resume exports. ADM was seen as a traitor to business unity in Santa Cruz, but now a new villain has emerged. Gravel, the largest oil producer in Bolivia, has been

purchased by Monomeros Colombo-Venezolana SA, a subsidiary of PdVSA. While Monomeros is a well-respected agro-chemical producer, the Venezuelan connection has raised eyebrows locally.

18. (C) ADM General Manager Val Shaffer was gleeful that his company is no longer the primary target of scorn in Santa Cruz, but he is concerned that Monomeros could be pressured to subsidize the price of domestic oils. This would have the effect of helping the Morales administration's fight on inflation while also undercutting the business of Santa Cruz Civic Committee President Brankovic, whose cooking oil company sells most of its production locally. Alvaro Rios, former Vice-Minister of Hydrocarbons, is also concerned that the Morales administration is attempting to divide the Santa Cruz business community through expropriations and Venezuelan purchases. He confided that the recently fully nationalized gas transport firm, Transredes, had now been directed to spend one third of its advertising budget on the "Evo Delivers" propaganda campaign. He feared similar politicization at Gravelal and asked rhetorically if the media may be more hesitant to criticize the government if it were to jeopardize two of its biggest advertisers?

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Comment  
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19. (C) Venezuelan activity in Bolivia is a murky affair. To Evo, some \$100 million in blank Venezuelan checks over the past two years is the definition of "unconditional" aid. For the most part, however, polls show that Bolivians resent Venezuelan meddling. If the charges of Venezuelan involvement in the Yacuiba television station attack stick, Evo's ties to Chavez may become an even bigger liability.

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